

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, JULY 6, 2004.

The City of Springfield council met in a work session in the Jesse Maine Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, July 6, 2004 at 6:00 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Ballew, Woodrow, Lundberg, Ralston and Fitch. Also present were City Manager Mike Kelly, Assistant City Manager Cynthia Pappas, City Attorney Joe Leahy, City Recorder Amy Sowa and members of the staff.

1. Further Discussion of the Vision and Potential for Urban Renewal Districts in Downtown and Glenwood.

Development Services Director Bill Grile and Community Development Manager John Tamulonis presented the staff report on this item. At the March 22, 2004 Work Session, council heard about the potential for redevelopment in Downtown and Glenwood through urban renewal, based on some success in Medford's downtown. Council saw that urban renewal was one tool and asked staff for more information about the overall vision for redeveloping downtown and Glenwood. Council also asked for more information regarding the potential for Lane County and the city to work on redevelopment of Glenwood using urban renewal for achieving the vision for Glenwood.

The community at large and many Downtown and Glenwood stakeholders have prepared numerous reports, plans and visioning documents over the years. These provide a strong set of visioning concepts and recommendations to develop and redevelop both areas. Based on all this prior work and community dialogue, the vision for the future of Downtown is summarized in Attachment 1 and for Glenwood in Attachment 4 included in the agenda packet.

Helping convert these visions to reality could include some of the projects listed for each area (Attachment 2 for Downtown and Attachment 5 for Glenwood included in the agenda packet). Attachment 3 in the agenda packet indicates potential boundaries for a Downtown urban renewal district.

For Glenwood, Attachment 6 in the agenda packet shows the area currently inside and outside the city, along with the area within the Glenwood Riverfront Plan. The primary options for establishing urban renewal in Glenwood include:

- A. Establishing a district that includes only the areas annexed to the city;
- B. Asking Lane County to set-up and separately operate an urban renewal district in those areas remaining in the county not yet annexed to the city; or
- C. Partnering with Lane County to set-up and operate an urban renewal district covering all of Glenwood – including incorporated and unincorporated lands.

Councilor Fitch said following a response City Attorney Joe Leahy received after writing a letter to Patrick Hearn at Government Standards and Practices, she would like to disclose that she owns property in the downtown area. They are in good standing. She understands this is occurring and it will not influence any decision she was to make whether it was commercial or residential property.

Councilor Lundberg also owns a business in the downtown area and does not have an ethics issue with this topic.

Councilor Ballew owns a residence near the designated area, but is not within the area.

Mr. Tamulonis referred to maps displayed on the wall which outlined the different areas in the downtown that could be part of an Urban Renewal District. One of the smaller areas could be the initial district, with additional areas added at a later date. He referred to historical photos of these areas. He referred to photos of the Urban Renewal District in Eugene and the options available in Springfield downtown. He referred to drawings depicting possible development options in downtown.

Discussion was held regarding setbacks along the Mill Race.

Mr. Tamulonis referred to photos of Glenwood displayed on the wall which outlined the areas that are already annexed into the city limits and the areas that are under county jurisdiction. He referred to drawings showing options for development in Glenwood.

Mr. Tamulonis said that in the last two weeks, staff has met with developers and neighbors in Glenwood. There is a lot of concern about what could occur with existing developments or existing manufactured homes in this area. Staff is working on potential solutions that could be included in the Urban Renewal District to help provide for transition to another location.

Councilor Fitch said she attended the meetings with Mr. Tamulonis. She said there were a lot of nervous senior citizens who needed a lot of questions answered. She commended staff including Susanna Julber, Bill Grile, planning and transportation staff, for doing a great job. The owner of Roaring Rapids offered to hold the next meeting at their business in Glenwood. The neighbors wanted to know what was happening. Many of them commended Springfield. World renowned organ maker, John Brombaugh, was very excited and encouraged the city not to limit their vision and to keep open to possibilities. Glenwood is a unique spot and he encouraged the city to look for something that would last. A lot of elderly individuals with mobile homes and trailers are concerned about moving. Discussion was held regarding exemptions from Lane County for moving in some cases. They discussed the possibility of moving into the new St. Vincent DePaul building. A lot of property owners were happy to hear the city was considering doing something before the sewers were installed so it would not be done in pieces.

Councilor Woodrow asked if a new vote would need to occur to increase the area at a later date if only one of the designated areas in downtown was originally voted to be an Urban Renewal District.

Mr. Tamulonis said it would be a major change in the plan and would require another vote. Before this goes out for the initial vote, council would determine if they wanted one, two or all three areas included. Council would want to weigh the size of the area with the amount of growth that would allow the district to bring in enough income to complete the projects in a reasonable amount of time.

Mr. Grile said staff would provide the rationale for the justification for any of the three choices.

Mr. Tamulonis discussed limiting the amount of property. He said all three areas could be included. Council may want to focus on areas one and two and not three at this time. The boundaries shown on the maps displayed could be changed if council chose. He discussed access to the south side of the railroad and including the one underpass that can access that area.

Mr. Grile said staff would show from a property tax standpoint there is no disadvantage for any of the areas to be included within the district.

Councilor Ralston said an Urban Renewal District would freeze the property value at some level.

Mr. Tamulonis said for all the taxing districts that are collecting property taxes in the area designated, the tax rate would be frozen at a certain point through a certain length of time.

Councilor Ralston said there is a big difference between Glenwood, which is mostly undeveloped, and downtown. If we freeze Glenwood's value at a very low level and a lot of development occurs, the city would not receive the benefits for the duration of the district. He would support a smaller area for a shorter amount of time. The city has limited tax increases we can utilize and our services continue to cost more and more. If we freeze too much area and don't get additional funding, we still have to provide services. That caused him concern because it sounded like a subsidy.

Mr. Tamulonis said with a larger district, and higher increments, the duration of the district could be less as it would pay it off sooner. Staff will bring information back regarding each area and the advantages and disadvantages of choosing one, two or all three.

Councilor Ralston discussed a convention center in area one, but said it needs to be market driven. He agreed with most projects in the attachments, but said the city can't be too involved by giving up tax revenue. The city needs to be cautious.

City Manager Mike Kelly said that if we froze a large district in downtown and nothing happened, we would get the same amount of revenue as if we weren't a district. If the district was successful and we could attract new investment, the new taxes would go into the district to pay for infrastructure, parking lots and other things to make the district successful. If we are not successful we would only lose the annual increase, which has been approximately one and a half percent annually over the past several years.

Mr. Grile noted an example of a local business and the low amount of value increase. The district's goal would be to raise the assessed value for all of downtown by stimulating reconstruction and new development.

Councilor Woodrow said according to Mr. Kelly, if the Urban Renewal District made repairs and improvements to the infrastructure and streets, the funding would come from the district and not the city's General Fund. It would reduce the burden on the General Fund for those types of things.

Mr. Kelly said as far as operations go, the only shift in substantial resources would be if we did attract more investment. That would allow us to put in more parking lots, more sewers, or more wetland mitigation, etc. The question is whether or not we would get the growth without the district. Many communities believe they would not have gotten as much redevelopment had they not created urban renewal to create some incentives and to have the power of condemnation and other things to aggregate land. These communities are better off in twenty years by having a more dynamic downtown with the tool of urban renewal. Opinions differ.

Mr. Tamulonis said a good example is in Glenwood. Developers come forward with a plan and a vision along the riverfront, but then ask how the city would be involved. At this time there is no incentive for the developers. Urban renewal could be such an incentive.

Councilor Lundberg said she agrees at looking at all three downtown areas and looking at them closer and with more detail. She said she would like to know some of the numbers regarding possible projects. She would like to see how urban renewal can best be used as a tool. She would look at a smaller portion in Glenwood because it is a much larger area. She suggested using a small area as a catalyst. There are a lot of things already occurring in Glenwood. She is supportive of drafting a plan for downtown.

Councilor Woodrow asked about Booth Kelly. It is part of area one. If we did a smaller amount in Glenwood and the three areas in downtown, that would be a catalyst for developers to continue with the rest of the area.

Mr. Tamulonis said if urban renewal was only for the area in Glenwood that belongs to the city, it would be short-sighted. The bulk of development would occur outside that area which is in the county. There are a lot of areas in Glenwood with some difficult problems to solve and no way of solving them. There are issues related to sanitary sewers in those areas. Urban renewal may need to encompass a larger area in Glenwood.

Mr. Grile discussed the partnership with the county regarding installation of sewer laterals to assist those with failing septic systems. That, along with our Community Development Block Grant resources, Springfield could be a popular commodity with developers. If citizens were unable to comply with mandates due to failing septic systems, the city could offer assistance to those citizens. That assistance could be in the form of urban renewal.

Mayor Leiken noted that thirty minutes was not enough time to discuss this topic.

Councilor Ralston asked about mandated relocation expenses and assistance and where that funding would come from.

Mr. Tamulonis said if the city acquires property, there are state and federal mandates regarding assistance with relocation costs.

Mr. Grile discussed the large growth in value in the Gateway area over the past twenty years.

Councilor Ballew said she liked starting with a more discreet area since they have not done urban renewal yet in Springfield. Glenwood is secondary because we are new at urban renewal and we need a process. She said the list of projects included siting and building a conference center. The city is not a developer. The city could put together properties, but she wants to see private money involved. The city could facilitate the process, but we couldn't carry the whole load. There is no return on that type of investment.

Mr. Tamulonis said in most of these cases, there would be a partnership with the Urban Renewal District and the private developers.

Mr. Grile said the projects the Urban Renewal District would want to pursue would be the infrastructure projects that would lighten the load on other city funds.

Councilor Ballew said there are no specifics in tonight's packet.

Mr. Tamulonis said that is correct. Tonight they are discussing the vision based on interest from people over a long period of time. Staff would create a list of potential projects. If staff came back with a draft plan, it would include a list of projects, timing and associated values. Staff would also include the length the Urban Renewal District might be in place to accomplish those projects based on the increase in values and within the boundaries. Council would then decide whether or not to move forward on this.

Councilor Fitch asked that the next time these items come to council, more time is allowed for discussion.

Mr. Kelly and Ms. Pappas said they would adjust the council meetings to allow more time.

Councilor Fitch said she feels that downtown should be second and Glenwood should be first regarding urban renewal. She would like to discuss this further at their next meeting.

2. Public Facility Bond Measure.

Assistant City Manager Cynthia Pappas and Police Chief Jerry Smith presented the staff report on this item. Council has discussed the potential of constructing a new public safety facility to include the housing of the police, fire administration, municipal court and city prosecutor functions of city government.

The facility housing the police, court and city prosecutor was originally constructed in 1949 and 1957 and has undergone several remodels. The facility was not constructed to house a police department and in fact consists of two separate contiguous buildings. The western end of the building is leased to a print shop.

The current facility consists of approximately 24,000 square feet and because of design, presents cost prohibitive or structural prohibitions to expansion. A companion discussion to the issue of constructing a new public safety facility is a decision on whether to construct a municipal jail. The current police facility houses a ten bed jail that is used as a holding facility after years of use as a municipal jail.

Berry Architects projected costs for the construction of a new public safety facility in a 1999 Space Needs Study at \$15,819,880, not including land acquisition. Berry Architects also conducted a Space Needs Study for a municipal jail in 1999 and projected costs at \$8,725,196. The DLR Group, located in Portland, reviewed the space needs study of the Public Safety Facility and the Jail as well as cost estimates provided in 1999 by Berry Architects. They opined that as a starting point, any cost estimates should be increased by approximately 18% to adjust for inflation in the construction marketplace since 1999.

The jail facility was designed as a stand alone facility that could be constructed at any site and not necessarily contiguous or part of a public safety facility. There exist amenities in the plan that are not desired and in some areas, duplicitous with those within a public safety facility. If a decision were made to construct a municipal jail as part of the public safety facility, there would be savings in both facilities. For example, the police component of the public safety facility includes a 10 bed holding facility that would be unnecessary should a municipal jail be constructed as part of the project. Locker rooms would be unnecessary and office space reduced in the jail facility.

Ms. Pappas said tonight's discussion was to get council's initial thoughts regarding construction of a public safety facility and whether a bond measure to finance that should be put on the November ballot.

Results from the community survey to determine the level of support for such a project were distributed to the council.

Chief Smith apologized for the late results of the survey. He discussed the questions on the survey and the results. He discussed the options for housing a jail in the facility and the need for each. He discussed the four options that were listed in the council briefing memo included in the agenda packet. Those options included:

1. Do nothing
2. Develop a ballot measure for the November, 2004 election that provides funding for land acquisition with a target date of November, 2005 or 2006 for a bond measure that includes funding for land and construction of a public safety facility
3. Develop a ballot measure for the November, 2004 election that provides for funding for the acquisition of land and construction of a public safety facility.
4. Develop a ballot measure for the November, 2005 or 2006 election that provides for funding for the acquisition of land and construction of a public safety facility.

Mayor Leiken asked about the current size of the facility. He asked how the \$15M to build a new facility was determined. He discussed cost per square foot for a commercial building.

Mr. Smith said the existing facility is 24,000 square feet, but the study in 1999 was for a new 85,000 square foot building.

Mayor Leiken asked Community Services Manager Dave Puent's opinion about the existing building and occupancy. Mayor Leiken asked Mr. Puent if he would issue an occupancy permit to a private sector company if they moved into the existing police building.

Mr. Puent said there would be a change of use of occupancy so there would be some improvements that would need to be done. The city would issue a permit for work to be done on that building. The code is not retroactive, so an old building does not need to be brought up to current code as long as the new use is not more hazardous than the previous use.

Councilor Ralston said he is all for this, because the cost to our community without such a facility is much higher. There is currently no consequence for crimes. The county is not doing their part in housing inmates. Most Springfield residents he knows would support the Public Safety Facility and the jail. It is a great idea. He would support option number three. He discussed using the present location and making it multiple stories.

Councilor Woodrow concurred with Councilor Ralston. If we don't give the courts and the police department a place to restrict the criminal activity, it will continue. Lane County did what they could, but they will continue to cut each year. He supports both the facility and the jail.

Councilor Fitch asked Mr. Duey about the increase in cost since 1999. She asked what that would translate to in cents per thousand of assessed value.

Mr. Duey discussed interest rate and principal. He explained the starting point in the survey was \$40M with 5.5 percent which generated the \$1.30 per thousand. He said if we ran about a \$30M issue at 5 percent it would be about .92 cents per thousand. He discussed building some reserves.

Councilor Ralston referred to the report which had a bid from Cowlitz County which quoted \$40,000 per bed, which was substantially less than the quote he saw. He asked about the difference.

Chief Smith said in working with DLR and Carole Knapel, who has had experience with construction of jails, staff is working to get better figures to bring to council. The numbers they have tonight are questionable and they would like to get something more reliable. Staff will bring the more accurate figures to council on July 19th.

Councilor Lundberg said the cost was too high to pass this on a ballot. She discussed the philosophy that TEAM Springfield members would not go against each other for competing measures on the same ballot and Willamalane already has a measure going forward on this ballot.

We would become the county in terms of corrections and we could end up with a large portion of our budget going towards corrections.

Ms. Pappas said there would be the police and fire levy renewals, a school measure and a county public safety district measure on the ballot in 2006. There could be others competing in addition to those. That would take us to the 2008 ballot.

Councilor Woodrow said he would not be in favor of housing both police and fire in same building due to security concerns.

Chief Smith said if it was determined the city could only go for seventy cents per thousand, certain things would have to be eliminated from their plan. They would either eliminate the jail in the new facility or the fire administrative offices. One of the two would have to go. Staff will go back to the architect to try to make the project work within the limits of the funding.

Councilor Ballew said she would be supportive of police, courts and fire all in one building, but no jail. She would like us to try something more creative regarding the jail, perhaps something with the City of Eugene and the county. She discussed opening additional beds at the county jail and staffing those with additional assistance. She appreciates the frustration of the police not having jail space.

Ms. Pappas said staff is discussing some of those options at this time as well.

Councilor Ballew said she would support the least cost because the tax bill continues to get larger. It is time, however, to look at a new facility and include the courts and fire administration. The city could possibly save money by combining them.

Mayor Leiken said he had concerns that seventy-two percent of those surveyed did not know the city was discussing a new public safety facility. There needs to be a lot of education to let the citizens know. The city has had this conversation for about four or five years. He referred to other figures in the survey. If the county cannot step up, the city does need to look at this. He asked Chief Smith who would staff the jail and if it would be the same type of staff the county has in place.

Chief Smith said they would not recommend sworn officers staff the facility. He discussed figures they received from the county regarding cost to operate jail beds. The City of Springfield could run the operation at a lower cost.

Mayor Leiken discussed Measure 30 and the funds that were lost, but then somehow found. Citizens question that. Citizens look at government as one government, not as separate entities. He said we need to talk to the citizens about the condition of the police facility. Springfield has a good reputation, but we will have to work with the public to educate them. If council chooses to go forward with this for the public safety building, we will have to ask the public to join with us to continue to have top quality public safety in our community. He is more supportive of fire and police in one building. Council will have to work hard over the next few months to make this happen.

Councilor Fitch said there is interest in the tour of the police facility on July 19th. There is a need for more discussion and more answers to questions. No one has said they do not want to go forward, but more discussion is needed and education of the citizenry. The community is going to look to police officers for their answers, but to councilors to spread the word and educate the public on why this is needed. Springfield is very common sense and Councilor Ballew is correct that our citizens want to see the money spent wisely. We need a solid plan in place.

Mr. Kelly said both the urban renewal and public safety facility issues will take additional work. Staff will return to council on July 19th for another work session on both topics. If there is direction from council to proceed with either or both, a special public hearing will be held in August to consider a ballot title. The deadline for a ballot title for the November 2, 2004 General Election is September 2, 2004.

Ms. Pappas asked councilors to call or e-mail additional questions relating to either topic for staff to respond to on the 19th. Council will tour the police facility on July 19th followed by an hour work session on this topic. During the Regular Meeting, council will have 45 minutes allocated for discussion on Urban Renewal.

Mayor Leiken asked Chief Smith if he could prepare a memo to council with information from his meeting with Russ Berger, incoming Lane County Sheriff. He would like Chief Smith's reactions and Mr. Burger's comments regarding the jail included in the memo.

David Lewis, representative of the Springfield Police Officer's Association, introduced himself. Mr. Lewis said they are very interested in this as well and would be available to assist in educating the public or giving money towards educating the public. He said council could contact himself, Chief Smith or Joe Zito with their requests.

Mayor Leiken suggested Mr. Lewis receive a copy of the survey and read it over. Mr. Lewis was provided with a copy of the survey.

ADJOURNMENT

The meeting was adjourned at 7:08 pm.

Minutes Recorder – Amy Sowa

Sidney W. Leiken
Mayor

Attest:

Amy Sowa

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City Recorder